

Mr. CONTE. You have not answered my question. For the reason that you refused to testify yesterday and today you are pleading the first amendment? Let your client answer this, will you?

Mr. RAY. My client is a layman, sir.

Mr. CONTE. All right, advise him then. You were about to answer for him.

Mr. PATMAN. OK, Mr. Hayes, you are directed to answer that question.

Mr. RAY. Would you first explain carefully to Mr. Hayes how under the purpose clauses for which this committee was formed this question relates to the purposes for which this committee was formed, and he will answer the question.

I believe that the Court, the Supreme Court, has held that the matter under inquiry and the pertinency of the question to the matter under inquiry must be made clear to the witness, held in *Watkins*, *Barenblatt* and *Scull* cases. The questions asked by a subcommittee must be within the scope of the inquiry authorized by the full committee and cites the case, and the committee must unambiguously require the question to be answered at the time. I asked for a purpose yesterday.

Mr. CONTE. I am asking you these questions as an individual, as a Member of Congress, and as a member of this subcommittee. Based on what you have read here, I would say that this committee certainly is on solid ground to determine whether or not there have been violations or abuses of our tax laws. If there are defects in our social and economic systems that need to be remedied by Congress, this committee can then recommend to the Congress that these loopholes be plugged so that these violations or abuses will not continue.

Mr. RAY. Are you speaking as the committee or as an individual?

Mr. CONTE. I am speaking as a Member of Congress now, and as a member of this committee, and I say that we are certainly on solid ground to ascertain whether there have been violations or abuses of our tax laws.

Mr. RAY. I believe you are correct there, sir.

Mr. CONTE. Of course we are correct.

Mr. MOORE. Will the gentleman from Massachusetts yield for an addenda to the question—

Mr. CONTE. Certainly.

Mr. MOORE (continuing). And to add, "Which actions are prejudicial to the small business community of the country"?

Mr. CONTE. Definitely so.

Mr. RAY. The actions of ABC?

Mr. MOORE. No, the actions of evasion, the abuse of tax laws, the various machinations by foundations which are prejudicial to the small business community of the country.

Mr. RAY. How does this apply to ABC?

Mr. MOORE. This gentleman is before us in two capacities, as I understand it.

Mr. RAY. Yes, sir; as an individual and as—

Mr. MOORE. He can answer this question in the negative for ABC or refuse to answer it for ABC, but he certainly is eligible to answer and capable of answering the question as far as the Robert D. Hayes Foundation is concerned.